

# STATE OF COLORADO



## DPA

Department of Personnel  
& Administration

Division of Human Resources

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*Division Director*

DATE

Employee Name

Employee Address

City, State, Zip

### **\*\* CONTINUATION COVERAGE RIGHTS UNDER COBRA\*\***

You are receiving this notice because you have recently become covered under one of the group health plans (the Plan) offered by State of Colorado. This notice contains important information about your right to COBRA continuation coverage, which is a temporary extension of coverage under the State's plan. **[This notice generally explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it.]**

The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to you and to other members of your family who are covered under the State's plans when you would otherwise lose your group health coverage. It can also become available to other members of your family who are covered under the Plan when they would otherwise lose their group health coverage. [This notice generally explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it]. This notice gives only a summary of your COBRA continuation coverage rights. For more information about your rights and obligations under each plan and under federal law, you should review your carrier's Certificate of Coverage (also called "Evidence of Coverage"), which should be sent to you soon after enrolling. Should you not receive one within a reasonable time period, you may request one from the insurance carrier or third-party administrator by contacting them directly, or you may contact your department's human resource office or the Employee Benefits Unit, the COBRA administrator for the State.

Employee Benefits Unit: State of Colorado, Employee Benefits, 1313 Sherman, First Floor, Denver, Colorado 80203; 303-866-2254 / 1-800-719-3434. The COBRA administrator is responsible for administering COBRA continuation coverage.

### **COBRA Continuation Coverage**

COBRA continuation coverage is a continuation when coverage would otherwise end because of a life event known as a "qualifying event." Specific qualifying events are listed later in this notice. COBRA continuation coverage must be offered to each person who is a "qualified beneficiary." A qualified beneficiary is someone who will lose coverage under the plan because of a qualifying event. Depending on the type of qualifying event, employees, spouses of employees, and

dependent children of employees may be qualified beneficiaries. With the State, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

If you are an employee, you will become a qualified beneficiary if you will lose your coverage under the State's plans because either one of the following qualifying events happens:

- 1) Your hours of employment are reduced, or
- 2) Your employment ends for any reason other than your gross misconduct.

If you are the spouse of an employee, you will become a qualified beneficiary if you will lose your coverage under the Plan because any of the following qualifying events happens:

1. Your spouse dies;
2. Your spouse's hours of employment are reduced;
3. Your spouse's employment ends for any reason other than his or her gross misconduct;
4. Your spouse becomes enrolled in Medicare (Part A, Part B, or both); or
5. You become divorced or legally separated from your spouse.

Your dependent children will become qualified beneficiaries if they will lose coverage under the Plan because any of the following qualifying events happens:

- 1) The parent-employee dies;
- 2) The parent-employee's hours of employment are reduced;
- 3) The parent-employee's employment ends for any reason other than his or her gross misconduct;
- 4) The parent-employee becomes enrolled in Medicare (Part A, Part B, or both);
- 5) The parents become divorced or legally separated; or
- 6) The child stops being eligible for coverage under the plan as a "dependent child."

### **When is COBRA Coverage Available?**

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the employee's departmental human resources office has been notified that a qualifying event has occurred. When the qualifying event is the end of employment or reduction of hours of employment, death of the employee, or enrollment of the employee in Medicare (Part A, Part B, or both), the employee's department must notify the benefits administrator at the employee's agency of the qualifying event within 30 days of any of these events, so that COBRA continuation coverage can be offered.

### **You Must Give Notice of Some Qualifying Events**

**For the other qualifying events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you must notify your department's human resources office. The Plan requires you to make this notification within 60 DAYS after the qualifying event occurs.**

### **How is COBRA Coverage Provided?**

Once the department's benefits or personnel administrators receive notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children. For each qualified beneficiary who elects COBRA continuation coverage, COBRA continuation coverage will begin on the date after coverage would otherwise end.

COBRA continuation coverage is a temporary continuation of coverage. When the qualifying event is the death of the employee, the employee's becoming enrolled in Medicare benefits (under Part A,

Part B, or both), your divorce or legal separation, or a dependent child losing eligibility as a dependent child, COBRA continuation coverage lasts for up to 36 months.

When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became enrolled in Medicare benefits less than 18 months before the qualifying event, COBRA continuation coverage for qualified beneficiaries other than the employee lasts until 36 months after the date of Medicare enrollment. For example, if a covered employee becomes entitled to Medicare 8 months before the date on which his employment terminates, COBRA continuation coverage for his spouse and children can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months (36 months, minus 8 months). Otherwise, when the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA continuation coverage generally lasts for only up to a total of 18 months. There are two ways in which this 18-month period of COBRA continuation coverage can be extended.

#### **Disability extension of 18-month period of continuation coverage**

If you or anyone in your family who is covered under the Plan is determined by the Social Security Administration, the Colorado Public Employees Retirement Association (Colorado PERA) or the State's Long-Term Disability (LTD) carrier to be disabled at any time during the first 60 days of COBRA continuation coverage and you notify the COBRA administrator within 60 days after the disability determination, you and your entire family can receive up to an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months. You must make sure that the administrator is notified of the Social Security Administration, Colorado PERA or Long-Term Disability carrier determination within 60 days of the date of the determination and before the end of the 18-month period of COBRA continuation coverage. This notice should be sent to: State of Colorado, Employee Benefits, COBRA Coordinator, 1313 Sherman, First Floor, Denver, CO 80203. You must include a copy of the disability determination letter.

#### **Second qualifying event extension of 18-month period of continuation coverage**

If your family experiences another qualifying event while receiving 18 months of COBRA continuation coverage, the spouse and dependent children in your family can get up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months. This extension may be available to the spouse and dependent children receiving continuation coverage if the employee or former employee dies, becomes enrolled in Medicare benefits (Part A, Part B or both), or gets divorced or legally separated, or if the dependent stops being eligible under the Plan as a dependent child but only if the event would have caused the spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred. In all of these cases, you must make sure that the COBRA administrator is notified of the second qualifying event within 60 days of the second qualifying event. This notice must be sent to: State of Colorado, Employee Benefits, COBRA Coordinator, 1313 Sherman, First Floor, Denver, CO 80203. You must include copies of appropriate documentation, such as (but not limited to) a divorce decree, death certificate, etc.

#### **Continuation of Health Care Flexible Spending Accounts (FSA) Under COBRA**

You may also continue your Health Care FSA under COBRA (Dependent Day Care FSAs may not be continued) on an after-tax basis, but only if you have a positive balance in your Health Care FSA at the time of the qualifying event. The account may only be continued for the remainder of the plan year. For example, if an employee resigns on May 31, 2005, they could continue the Health Care FSA only through December 31, 2005.

If you elect to continue your Health Care FSA under COBRA, you will **not** receive a monthly bill. Your monthly contributions are payable in advance and must be received by the first of each month. Your check or money order must be made payable to the State of Colorado and sent to:

DPA – Employee Benefits  
COBRA Coordinator  
1313 Sherman Street, First Floor  
Denver, Colorado 80203-2244

**If You Have Questions**

If you have questions about your COBRA continuation coverage, you should contact either your department's Human Resource Personnel or the Employee Benefits Unit at 303-866-2254/1-800-719-3434. For more information about your rights under ERISA, including COBRA, the health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA). Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa).

**Keep Your Plan Informed of Address Changes**

In order to protect your family's rights, you must notify the COBRA Coordinator as well as the individual carriers directly, of any changes in the addresses of you or your family members. You should also keep a copy, for your records, of any notices you send to your department, the COBRA administrator or your insurance carrier.

**Plan Contact Information**

**State of Colorado Group Health Plan  
Employee Benefits Unit  
COBRA Coordinator  
1313 Sherman Street, First Floor  
Denver, CO 80203  
Phone: 800-719-3434, or 303-866-2254**